

Senate File 104 - Introduced

SENATE FILE 104
BY ANDERSON

A BILL FOR

1 An Act reducing the individual and corporate income tax rates
2 and including effective date and applicability provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.5, subsection 1, paragraphs a
2 through i, Code 2015, are amended to read as follows:

3 a. On all taxable income from zero through one thousand
4 dollars, ~~thirty-six~~ twenty-nine hundredths of one percent.

5 b. On all taxable income exceeding one thousand dollars but
6 not exceeding two thousand dollars, ~~seventy-two~~ fifty-eight
7 hundredths of one percent.

8 c. On all taxable income exceeding two thousand dollars but
9 not exceeding four thousand dollars, ~~two and forty-three~~ one
10 and ninety-four hundredths percent.

11 d. On all taxable income exceeding four thousand dollars but
12 not exceeding nine thousand dollars, ~~four and one-half~~ three
13 and six-tenths percent.

14 e. On all taxable income exceeding nine thousand dollars
15 but not exceeding fifteen thousand dollars, ~~six and twelve~~
16 ~~hundredths~~ four and nine-tenths percent.

17 f. On all taxable income exceeding fifteen thousand dollars
18 but not exceeding twenty thousand dollars, ~~six and forty-eight~~
19 five and eighteen hundredths percent.

20 g. On all taxable income exceeding twenty thousand dollars
21 but not exceeding thirty thousand dollars, ~~six and eight-tenths~~
22 five and forty-four hundredths percent.

23 h. On all taxable income exceeding thirty thousand dollars
24 but not exceeding forty-five thousand dollars, ~~seven and~~
25 ~~ninety-two~~ six and thirty-four hundredths percent.

26 i. On all taxable income exceeding forty-five thousand
27 dollars, ~~eight and ninety-eight~~ seven and eighteen
28 hundredths percent.

29 Sec. 2. Section 422.33, subsection 1, paragraphs a, b, c,
30 and d, Code 2015, are amended to read as follows:

31 a. On the first twenty-five thousand dollars of taxable
32 income, or any part thereof, the rate of ~~six~~ four and
33 eight-tenths percent.

34 b. On taxable income between twenty-five thousand dollars
35 and one hundred thousand dollars or any part thereof, the rate

1 of ~~eight~~ six and four-tenths percent.

2 c. On taxable income between one hundred thousand dollars
3 and two hundred fifty thousand dollars or any part thereof, the
4 rate of ~~ten~~ eight percent.

5 d. On taxable income of two hundred fifty thousand dollars
6 or more, the rate of ~~twelve~~ nine and six-tenths percent.

7 Sec. 3. EFFECTIVE DATE. This Act takes effect January 1,
8 2016.

9 Sec. 4. APPLICABILITY. This Act applies to tax years
10 beginning on or after January 1, 2016.

11 EXPLANATION

12 The inclusion of this explanation does not constitute agreement with
13 the explanation's substance by the members of the general assembly.

14 This bill reduces by approximately 20 percent the tax rate
15 for each of the nine tax brackets of the individual income tax
16 and for each of the four tax brackets of the corporate income
17 tax.

18 The current individual income tax rates range from a low of
19 .36 percent to a high of 8.98 percent. The bill changes these
20 rates to a low of .29 percent and a high of 7.18 percent.

21 The current corporate income tax rates range from a low of 6
22 percent to a high of 12 percent. The bill changes these rates
23 to a low of 4.80 percent and a high of 9.60 percent.

24 The bill takes effect January 1, 2016, and applies to tax
25 years beginning on or after that date.